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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY WASHINGTON, D.C. 20460

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OFFICE OF STRATEGIC ENVIRONMENTAL MANAGEMENT

Mr. Kirk Hogberg Corporate Manager, Energy and Environmental Management Andersen Corporation 100 4th Ave N, Bayport, MN 55003

REFERENCE: Close-out of Andersen's Corporation's Project XL Innovation Pilot Project

Dear Mr. Hogberg:

I am writing to follow up on our Office's communication with you in 2010 regarding the close-out of Andersen Corporation's environmental innovation project initiated under EPA's *Project XL* innovation piloting program (http://www.epa.gov/projectxl/file2.htm).

Project XL ("eXcellence in Leadership") was an EPA national innovation piloting program that allowed state and local governments, businesses and federal facilities to develop innovative approaches in collaboration with EPA to test better or more cost-effective ways of achieving environmental and public health protection. In exchange, EPA issued regulatory, program, policy, or procedural flexibility to conduct the experiment. EPA discontinued accepting new projects under Project XL in 2002 and is now in the process of completing documentation to close the records for individual projects.

On June 30, 1999, Andersen Corporation, the Minnesota Pollution Control Agency (MPCA), Washington County, and EPA were joint signatories to a Final Project Agreement (FPA) for an innovative pilot project that sought flexibility that would allow Andersen Corporation to alter its manufacturing process resulting in reduced emissions of Volatile Organic Compounds (VOCs). The expected goals of the project were to: improve the overall VOC emissions performance ratio (reduction in VOCs emitted per unit measure of production) by the Bayport facility, achieve environmental and economic sustainability (by utilizing more efficient technologies and products that would allow for better pollution prevention through use of an Environmental Management System or EMS), consolidate all of the Bayport facility permit conditions into a streamlined Minnesota Project XL Multimedia Permit (that would ultimately relieve administrative burden through simplified monitoring and reporting), and create a Community Advisory Committee (that would facilitate public understanding of the project and address community concerns).

The FPA originally anticipated the need for a site-specific rule promulgation by EPA to allow the facility-specific changes required to test the innovative approach. The 2002 changes to the Clean Air Act New Source Review Program obviated the need for a site-specific rule and the Andersen project went forward under its MPCA permit.

The outcomes of these projects were described in Andersen Corporation's 2008 report that appears on EPA's website. (http://www.epa.gov/projectxl/andersen/xlreportAndersen.pdf). This project final report describes the overall results of the project, documenting facility performance under the new MPCA permit including boiler test results regarding carbon monoxide, particulate matter, and opacity emissions, Routine Damper Maintenance Bypass results, and non-milling PM/PM10 emissions.

Although the project did not go forward in the way anticipated under the FPA, through this letter, we are documenting the completion of the pilot project conducted by the Andersen Corporation originally envisioned under Project XL. We would like to thank representatives of the corporation, city, state, and others who worked hard on developing and implementing the project. Much has been learned from these projects through those efforts.

If we can provide you with any additional information on Project XL, please feel free to contact Gerald Filbin at EPA Headquarters Office of Policy (202) 566-2182.

Sincerely yours,

Nancy Ketcham-Colwill, Acting Director

cc: Kirk Hogberg, Andersen Corp Gary Kriesel, Washington County Andrew Ronchak, MPCA Margaret Bartz, MPCA John Linc Stine, MPCA George Czerniak, EPA Region 5 Susan Hedman, EPA Region 5 Brian Barwick, EPA Region 5 Gerald Filbin, EPA/AO/OP/OSEM Nicholas Ryu, EPA/AO/OP/OSEM